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Chrono 25X1

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NOTE FOR: C/LA/DO

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SUBJECT: For the DCI

"Junta coordinator Daniel Ortega recently claimed that the damage done by the insurgency had amounted to the equivalent of one-third of Nicaragua's annual export earnings. This would mean that the economic impact had exceeded \$100 million. We believe that the Sandinistas have consistently exaggerated the impact of the insurgency on the economy in order to strengthen their appeals for additional economic aid and to deflect domestic criticism on economic issues. [redacted]

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Nonetheless, insurgent raids have destroyed various oil facilities at key ports and attacks in the interior have dampened commerce and agriculture. All in all the measurable damage to the economy is probably closer to about one-third of the Sandinista estimate. [redacted]

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See also the following which may contribute to the story:

"In the meantime, with Mexico curtailing its concessionary financing for oil, Managua may have to pay up to \$40 million more in cash or hard currency export crops for its oil in 1984 compared with 1983. [redacted]

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